



106TH CONGRESS  
1ST SESSION

# S. 915

To amend title XVIII of the Social Security Act to expand and make permanent the medicare subvention demonstration project for military retirees and dependents.

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IN THE SENATE OF THE UNITED STATES

APRIL 29, 1999

Mr. GRAMM (for himself, Mrs. HUTCHISON, Mr. MACK, and Mr. COVERDELL) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend title XVIII of the Social Security Act to expand and make permanent the medicare subvention demonstration project for military retirees and dependents.

1       *Be it enacted by the Senate and House of Representa-  
2       tives of the United States of America in Congress assembled,*

3       **SECTION 1. MEDICARE SUBVENTION FOR MILITARY RETIR-**

4                   **EES AND DEPENDENTS.**

5       (a) EXPANSION OF SITES.—

6                   (1) EXPANSION TO 16 SITES.—Effective Janu-  
7       ary 1, 2000, subsection (b)(2) of section 1896 of the  
8       Social Security Act (42 U.S.C. 1395ggg) is amended  
9       by striking “6” and inserting “16”.

1                             (2) FUTURE REPEAL OF LIMITATION ON NUM-  
2         BER OF SITES.—Effective October 1, 2002, para-  
3         graph (2) of section 1896(b) of such Act is amended  
4         to read as follows:

5                             “(2) LOCATION OF SITES.—

6                             “(A) IN GENERAL.—Subject to subparagraph (B), the program shall be conducted in  
7         any site designated jointly by the administering  
8         Secretaries.

10                            “(B) FEE-FOR-SERVICE.—If feasible, at  
11         least 1 of the sites designated under subparagraph (A) shall be conducted using the fee-for-  
12         service reimbursement method described in sub-  
13         section (l).”.

15                            (b) MAKING PROJECT PERMANENT; CHANGES IN  
16         PROJECT REFERENCES.—

17                            (1) ELIMINATION OF TIME LIMITATION.—Para-  
18         graph (4) of section 1896(b) of such Act is repealed.

19                            (2) CONFORMING CHANGES OF REFERENCES TO  
20         DEMONSTRATION PROJECT.—Section 1896 of such  
21         Act is further amended—

22                            (A) in the heading, by striking “DEM-  
23         ONSTRATION PROJECT” and inserting “PRO-  
24         GRAM”;

(B) by amending subsection (a)(2) to read as follows:

“(2) PROGRAM.—The term ‘program’ means the program carried out under this section.”;

(C) in the heading to subsection (b), by striking "DEMONSTRATION PROJECT" and inserting "PROGRAM";

(D) by striking "demonstration project" or  
"project" each place either appears and insert-  
ing "program"; and

11 (E) in subsection (k)(2)—

(i) in the heading, by striking "EX-TENSION AND EXPANSION OF DEMONSTRATION PROJECT" and inserting "PROGRAM"; and

16 (ii) by striking subparagraphs (A)  
17 through (C) and inserting the following:

18               “(A) whether there is a cost to the health  
19               care program under this title in conducting the  
20               program under this section; and

“(B) whether the terms and conditions of  
the program should be modified.”.

(3) REPEAL OF OBSOLETE REPORTING REQUIREMENT.—Paragraph (5) of section 1896(b) of such Act is repealed.

1           (c) PERMITTING PAYMENT ON A FEE-FOR-SERVICE  
2 BASIS.—

3                 (1) IN GENERAL.—Section 1896 of the Social  
4                 Security Act is further amended by adding at the  
5                 end the following new subsection:  
6                 “(l) REIMBURSEMENT ON FEE-FOR-SERVICE BASIS  
7 FOR SERVICES PROVIDED TO UNENROLLED INDIVID-  
8 UALS.—Notwithstanding subsection (i), in the case of  
9 medicare-eligible military retirees or dependents who are  
10 not enrolled in the program under this section, the Sec-  
11 retary may reimburse the Secretary of Defense for medi-  
12 care health care services provided to such retirees or de-  
13 pendents at a military treatment facility under the pro-  
14 gram at a rate that does not exceed the rate of payment  
15 that would otherwise be made under this title for such  
16 services if sections 1814(e) and 1835(d), and paragraphs  
17 (2) and (3) of section 1862(a), did not apply.”.

18                 (2) CONFORMING AMENDMENTS.—Such section  
19                 is further amended—

20                     (A) in subsections (b)(1)(B)(v) and  
21                     (b)(1)(B)(viii)(I), by inserting “or subsection  
22                     (l)” after “subsection (i);”;

23                     (B) in subsection (b)(2), by adding at the  
24                 end the following: “If feasible, at least 1 of the  
25                 sites shall be conducted using the fee-for-service

1 reimbursement method described in subsection  
2 (l).”;

3 (C) in subsection (d)(1)(A), by inserting  
4 “(insofar as it provides for the enrollment of in-  
5 dividuals and payment on the basis described in  
6 subsection (i))” before “shall meet”;

7 (D) in subsection (d)(1)(A), by inserting  
8 “and the program (insofar as it provides for  
9 payment for medicare health care services pro-  
10 vided at a military treatment facility on the  
11 basis described in subsection (I)) shall meet all  
12 requirements that are applicable to facilities  
13 that provide such services under this title” after  
14 “medicare payments”;

15 (E) in subsection (d)(2), by inserting “, in-  
16 sofar as it provides for the enrollment of indi-  
17 viduals and payment on the basis described in  
18 subsection (i),” before “shall comply”;

19 (F) in subsection (g)(1), by inserting “, in-  
20 sofar as it provides for the enrollment of indi-  
21 viduals and payment on the basis described in  
22 subsection (i),” before “the Secretary of De-  
23 fense”;

24 (G) in subsection (i)(1), by inserting “and  
25 subsection (l)” after “of this subsection”;

1                             (H) in subsection (i)(4), by inserting "and  
2                             subsection (l)" after "under this subsection";  
3                             and

4                             (I) in subsection (j)(2)(B)(ii), by inserting  
5                             "or subsection (l)" after "subsection (i)(1)".

6                             (3) EFFECTIVE DATE.—The amendments made  
7                             by this subsection take effect on January 1, 2000,  
8                             and apply to services furnished on or after such  
9                             date.

10                             (d) ELIMINATION OF RESTRICTION ON ELIGI-  
11                             BILITY.—Section 1896(b)(1) of such Act is amended by  
12                             adding at the end the following new subparagraph:

13                             “(C) ELIMINATION OF RESTRICTIVE POL-  
14                             ICY.—If the enrollment capacity in the program  
15                             has been reached at a particular site designated  
16                             under paragraph (2) and the Secretary there-  
17                             fore limits enrollment at the site to medicare-  
18                             eligible military retirees and dependents who  
19                             are enrolled in TRICARE Prime (as defined for  
20                             purposes of chapter 55 of title 10, United  
21                             States Code) at the site immediately before at-  
22                             taining 65 years of age, participation in the  
23                             program by a retiree or dependent at such site  
24                             shall not be restricted based on whether the re-  
25                             tiree or dependent has a civilian primary care

1 manager instead of a military primary care  
2 manager.”.

3 (e) MEDIGAP PROTECTION FOR ENROLLEES.—Sec-  
4 tion 1896 of such Act is further amended by adding at  
5 the end the following new subsection:

6 “(m) MEDIGAP PROTECTION FOR ENROLLEES.—

7 “(1) IN GENERAL.—Subject to paragraph (2),  
8 the provisions of section 1882(s)(3) (other than  
9 clauses (i) through (iv) of subparagraph (B)) and  
10 1882(s)(4) shall apply to any enrollment (and termi-  
11 nation of enrollment) in the program (for which pay-  
12 ment is made on the basis described in subsection  
13 (i)) in the same manner as they apply to enrollment  
14 (and termination of enrollment) with a  
15 Medicare+Choice organization in a  
16 Medicare+Choice plan.

17 “(2) RULE OF CONSTRUCTION.—In applying  
18 paragraph (1)—

19 “(A) in the case of enrollments occurring before  
20 January 1, 2000, any reference in clause (v) or (vi)  
21 of section 1882(s)(3)(B) to 12 months is deemed a  
22 reference to the period ending on December 31,  
23 2000; and

24 “(B) the notification required under section  
25 1882(s)(3)(D) shall be provided in a manner speci-



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1 fied by the Secretary of Defense in consultation with  
2 the Director of the Office of Personnel Manage-  
3 ment.”.

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